BUDGET WEEK SUMTUWTH F SA

HOUSE COMMITTEE ON THE BUDGET

Majority Caucus

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Summarizing budgetary issues in legislation scheduled for the House floor

27 November 2001

Week of 27 November 2001

SUSPENSION CALENDAR

- 1) Computer Security Enhancement Act of 2001 (H.R. 1259).

 This bill would amend the National Institute of Standards and Technology Act to require the Institute to provide assistance to Federal agencies in the protection of computer networks; promote Federal compliance with computer information security and privacy guidelines; and assist Federal efforts to respond to unauthorized access to Federal systems. The bill does not increase direct spending (spending not subject to appropriations) and is consistent with the budget resolution (H.Con.Res. 83).
- 2) Recognizing and honoring Joseph Henry for his significant and distinguished role in the development and advancement of science and electricity (H.Con.Res. 157). This resolution has no budget implications.
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- 3) A concurrent resolution expressing the sense of the Congress regarding National Pearl Harbor Remembrance Day (S. Con. Res. 44). This resolution has no budget implications.
- 4) A Bill to designate the Federal building and United States courthouse located at 550 West Fort Street in Boise, Idaho, as the "James A. McClure Federal Building and United States Courthouse" (S. 1459).

This bill has no budget implications.

5) Expressing the sense of Congress that Americans should take time during Native American Heritage Month to recognize the many accomplishments and contributions made by native peoples (H.Con.Res. 270). This resolution has no budget implications.



6) To require the valuation of nontribal interest ownership of subsurface rights within the boundaries of the Acoma Indian Reservation, and for other purposes (H.R. 1913). This bill would direct the Secretary of the Interior to estimate the value of about 67,000 acres of

This bill would direct the Secretary of the Interior to estimate the value of about 67,000 acres of privately owned subsurface rights, and then acquire those rights in exchange for cash, mineral leasing or bidding credits, or interests in other Federal lands of approximately equal value. The Congressional Budget Office [CBO] estimates that this bill will increase direct spending by \$2 million in fiscal year 2002. This increase exceeds the allocation of the reporting committee's (the Committee on Resources), and thereby gives rise to a violation of the Congressional Budget Act under section 302(f).

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to express support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems.

This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.

- 7) Detroit River International Wildlife Refuge Establishment Act (H.R. 1230). This bill would establish the Detroit River International Wildlife Refuge in Michigan and Canada. Assuming appropriation of the necessary amounts, CBO estimates that initial costs to establish the new refuge would be between \$13 million and \$21 million over the 5 years following enactment. This bill does not increase direct spending and is consistent with the budget resolution.
- 8) Expressing the gratitude of the House of Representatives to the General Accounting Office and its employees for enabling the House to continue its work while the House office buildings were closed due to the presence of anthrax.



This resolution has no budget implications.

- 9) Price-Anderson Reauthorization Act of 2001 (H.R. 2983). This bill extends indemnification authority under section 170 of the Atomic Energy Act of 1954, and for other purposes. It would reauthorize the Price-Anderson Act through 1 August 2001. CBO estimates that the bill could result in an increase in revenues of less than \$500,000 a year.
- 10) Export Extension Act of 2001 (H.R. 3189). This bill would amend section 20 of the Export Administration Act of 1979 to change the expiration date of the Act from 20 August 2001 to 20 April 2002. CBO estimates the bill would increase revenue by \$1 million a year for fiscal years 2004 and 2005, and that a small amount of that additional revenues would be spent.
- 11) Expressing the sense of the Congress regarding the efforts of people of the United States of Korean ancestry to reunite with their family members in North Korea (H.Con.Res.77).



This resolution has no budgetary implications.

12) A concurrent resolution authorizing the 2002 Winter Olympics Torch Relay to come onto the Capitol Grounds (S.Con.Res. 82)



This resolution has no budgetary implications.

13) A bill to implement effective measures to stop trade in conflict diamonds, and for other purposes (H.R. 2722).



Though a CBO estimate prepared was not available, the Budget Committee does not expect that this legislation will increase direct spending or decrease revenue. Hence it will be consistent with the budget resolution and the Congressional Budget Act.

14) Afghan Women and Children Relief Act of 2001 (S. 1573) This bill authorizes the President, on such terms and conditions as he determines, to provide educational and health care assistance for the women and children living in Afghanistan, and as refugees in neighboring countries. This bill will not increase direct spending or decrease revenue.

LEGISLATION CONSIDERED UNDER A RULE

Bill: Department of Defense Appropriations for Fiscal Year 2002 (H.R. 3338).



Committee: **Appropriations**

Summary: Division A of H.R. 3338 provides a net of \$317.207 billion in new discretionary budget

authority [BA] and \$308.873 billion in outlays for military functions of the Department of Defense. This is an increase of \$24.392 in BA and \$29.485 billion in outlays from the fiscal year 2001enacted amounts (excluding fiscal year 2001 spending in response to terrorist acts), but a reduction of \$1.923 billion in discretionary BA and \$2.069 billion in

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Budget Week Page 2 outlays from the President's request.

Division B of the bill triggers the obligation of \$20.001 billion that was previously appropriated and designated as an emergency by the Emergency Supplemental Appropriations Act in Response to Terrorist Attacks on the United States (Public Law 107-38). The BA results in outlays of \$9.347 billion in fiscal year 2002.

Budget Act:

Under the authority granted to the Chairman of the Budget Committee by Section 218 of the conference report on the budget resolution for fiscal year 2002 (H.Con.Res. 83), the allocations to the Appropriations Committee have been increased by \$17.347 billion in BA and \$14.932 billion in outlays to reflect the provisions of this bill. (Section 218 of the budget resolution permits the Chairman to increase the allocations to the Appropriations Committee for increased defense spending.) Despite that significant increase in the allocation made pursuant to 302(a) of the Budget Act, this bill does not comply with the budget resolution, and will require a waiver of Section 302(f) of the Congressional Budget Act to allow its consideration. This occurs because the allocations have not been revised to reflect an additional \$3.4 billion in nondefense spending as was agreed to in recent negotiations between the President and the congressional leadership. But the Budget Committee recently marked up a bill (H.R. 3084) that increases the appropriate levels in the budget resolution and the statutory caps to accommodate the additional nondefense spending.

The budget authority included in Division B is designated as emergency spending, and the Budget Committee will adjust the appropriate allocations to the Appropriations Committee to accommodate this additional spending.

Bill: Terrorism Risk Protection Act (H.R. 3210).

Committees: Summary:

Financial Services, Ways and Means, Budget, Judiciary

H.R. 3210 would provide a Federal financial "backstop" assistance to commercial property and casualty insurers in the event of losses from future terrorist acts. The assistance – all or most of which would be subject to reimbursement – would be available for future losses occurring from the time of enactment through 1 January 2003; and the Secretary of the Treasury would have authority to extend the assistance an additional 1 year or 2 years.

Because the extent and cost of terrorism in any given year cannot be predicted, the CBO developed a cost estimate for the legislation based on the expected value of the Government's financial assistance payments. This value can be roughly equated to the premium payment necessary to offset the risk of providing equivalent insurance. On this basis, CBO estimates the financial assistance will cost \$800 million in fiscal year 2002 and \$7.3 billion over the period of 2002 through 2006.

CBO expects that over a period of "many years," the Government's cost would be nearly offset through the recoupment authority provided to the Secretary of the Treasury. In the short term, CBO estimates that no revenue will be collected in fiscal year 2002, and that \$1.4 billion will be collected over the 2002-2006 period. Hence the net cost of the legislation would be \$5.9 billion from 2002 through 2006.

Budget Act:

The bill designates the amount of new budget authority and outlays resulting from financial assistance in this legislation as an "emergency" pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(e)). Under current law, when legislation includes spending designated as an emergency, the Budget Committee will adjust the appropriate allocations and aggregates. Hence, because of the emergency designation, the assistance does not cause the measure to exceed the allocation of budget authority to the Financial Resources Committee, nor to exceed the appropriate budgetary totals established in H.Con.Res. 83. It therefore complies with both section 302(f) and section 311(a) of the Budget Act.

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Because the assessments would not likely be imposed until fiscal year 2003, the bill does violate section 303(a) of the Budget Act, which prohibits the consideration of legislation that first changes revenue in a year for which no budget resolution has been adopted.

In addition, because the benefits conferred on the insurance industry may be construed as an entitlement, section 401 of the Budget Act also will be violated. This section of the Budget Act prohibits the consideration of legislation that would create a new entitlement in the same year in which it is considered.

Prepared by The House Committee on the Budget

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